

April 14, 2023

Ms. Melissa Myers
Office of the New York State Comptroller
Chief of Municipal Audits
295 Main Street, Room 1032
Buffalo, New York 14203

Dear Ms. Myers,

This letter represents the Williamsville Central School District's corrective action plan pertaining to audit 2022M-193. This plan has been presented and approved by the Board of Education at their April 18, 2023 meeting.

Financial Management Audit Recommendations:

- 1. Develop and adopt budgets that include reasonable estimates for appropriations and the amount of fund balance that will be used to finance operations.**

In the District's formal response letter to this audit information was provided that supported our budget practices related to appropriations and fund balance. The District will complete the following items that are pertinent to this recommendation in future budget development cycles:

- a. Historical budget information will be reviewed for all budget codes. An additional review will be completed for the audit areas of program for students with disabilities, teacher's salaries-regular school, hospital, medical and dental insurance, plant operations, retirement system contributions, and occupational Education. Budget variances will be estimated and monitored. Variances that may occur in these areas will be reasonable for the purpose in supporting the educational programs.
- b. As stated in the District's formal response, the salary budget amount in the Occupational Education area was corrected in the 2023-24 budget. The over-estimated amount was due to the lagging on the movement of the budget to the individual school budget codes. This change is necessary to allow for budget and expense alignment for New York State transparency reporting.



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2. **Discontinue the practice of appropriating fund balance that is not intended or used to fund operations.**
 - a. The District's formal audit letter response clearly stated the basis for our methodology in appropriating and using fund balance in our operations. The corrective action plan for this item will implement the following steps in our budget process:
 1. If the revenue is available to support a reduction in the fund balance appropriation, reductions will occur. Prior to the release of this audit report, the District received a significant increase in Foundation aid. This resulted in the District reducing the fund balance \$1,250,000.
 2. The District will evaluate the appropriation of fund balance in each budget cycle and will make adjustments in the fund balance appropriations, including reductions to meet short-term and long-term financial planning goals as warranted by the economic factors influencing each budget cycle.
3. **Revise the reserve fund policy to ensure that it identifies optimal or targeted funding levels for each reserve and the conditions under which each reserve will be used or replenished.**
 - a. The District will seek out information on reserve policy modifications to address this finding. It will specifically contact legal counsel, New York State School Board Association, New York State Association of School Business Officials, and Erie 1 BOCES policy services to review and modify our policy to address the Comptroller's reserve policy statement.
4. **Include provisions in the adopted budget for the funding and replenishing of reserves.**
 - a. The District has requested and received information from the Comptroller's office on this topic. It will review the information with the intent on phasing in this type of budget and accounting process into future budgets upon consideration of the following two items: 1. Information is available on the projected year-end reserve needs; 2. The year-end funding amounts available for reserve allocations can be estimated at the time of budget development.
 - b. The District will also seek out supplementary accounting and legal information to support this new reserve replenishment budget process.

The District will commence a review and initiate actions as outlined in this corrective action plan that address each of the New York State Comptroller's recommendations in the next appropriate planning cycle for the related items.

Sincerely,



Dr. Darren Brown-Hall
Superintendent



Thomas R. Matuski
Assistant Superintendent for
Management and Support Services